Secrt. II-27—100,000—21-5-43.

Development (P & D) **(195 40) Department.**

MS **SERIES.**

G.O. No. 489.

Dated 13-2-43.

[Despatch Abstract.]

Post War Development - Industries - Manufacture of special quality hand made paper - Scheme No. 114 in the Five Year Plan - Dropped - Papers recorded.

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NOTE FILE

C.NO. 50855 P & D II / 45. Development(P & D II)

Sub: Post War Development - Post War Plan - Scheme No. 114 - Manufacture of special quality hand-made paper.

Ref: From the Director of Industries and Commerce, No. P.10/47 dated 27-11-1947.

TO A.S

Scheme No. 114 in the Five Year Plan contemplates the manufacture of special quality hand-made paper. The scheme envisages the starting of four hand made paper making centres each having a-productive capacity of a minimum of one fourth ton of specialised quality ~~of a minimum of one fourth ton of specialised quality~~ rag papers and parchment papers per day. Three Centres with all the necessary machinery are already in existence, one at Bezwada (Kistna District), the second at Guzalapalli (Kurnool District) and the third at Bugga (Cuddapah District) A fourth centre remains to be opened.

According to the financial analysis the scheme involves a capital expenditure of Rs.1,20,000 and a total recurring expenditure of Rs.4,56,486 for the Five Year Period and is expected to yield a net ultimate annual revenue of Rs.7,81[illegible]2/-

The Director of Industries and Commerce was asked to submit detailed proposals with financial implications for the consideration of Government. Please see the Director's proposals on p. 109 c.f.

The Director of Industries and Commerce has proposed that the paper making unit should be located in 2 sheds at the Naval Stores buildings at Chromepet. Hangar No. 17 in the Naval stores at Chromepet has been provisionally allotted to the Industries Department. for this purpose. According to the estimates submitted by the Depu Director of Industries and Commerce. the total expenditure for the Five Year Period works out to Rs.8,00,000/- besides the cost of staff. The anticipated return during this period on account of the scheme is estimated at Rs.6,70,000/- thus resulting in a loss of Rs.1,30,000 - vide details at p. 9 ante

The Director of Industries and Commerce has proposed the employment of the following staff:-

(1) . Superintendent on Rs.230-10-300 plus Dearness allowance
(2) Technical Assistant Rs.90-5-130 plus Dearness allowance
(3) Commercial Accountant Rs.140-190 plus Dearness allowance
(4) Lower Division Clerk Rs.45-90 plus Dearness allowance
(5) Clerk Typist Rs.45-90 plus Deanress allowance
(6) Store Keeper Rs.45-90 plus Dearness allowance
(7) Peons - 2. Rs.16-24 plus Dearness allowance
(8) Watchmen:- 2. (Market rates) Rs.16/-

The Director of Industries and Commerce states that the cost on account of the staff including Dearness allowance and O.C.A. would be Rs.10,200 in the first year and the ultimate cost would be Rs.9,500/-

In connection with drawing up the programme for 1948-49 the Government of India have stated that new schemes not yet iniated should be confined as far as possible to those which are likely to increase the production of the material wealth of the country. In the circumstances and in view of the fact that the scheme is not productive within the Five Year Period it is for orders whether the Director of Industries and Commerce's proposal need be taken up for consideration. If it is to be taken up for consideration Finance may see for remarks.

Sd. x x x
10-12-47.

/2..

Development (P & D VI)

This scheme has already been included in the programme for 1948-49 provisionally.

Sd. x x x
10-12-47.

of the three centres in existence, the centre at Garulapalli has been found to be unprofitable and it has been ordered to sell the hand made paper mill at Garulapalli by public auction.

Sd. x x x
10-12-47.

The Director of Industries and Commerce has taken over two years to submit proposals for the manufacture of hand made papers. The Centre for hand made paper at Garulapalli has not been profitable. Private enterprises is already busy tapping resources for setting up industrial papers and board mills. Recently two applications, one from Dindigul and the other from Tinnelvelly were recommended by the Cabinet Sub Committee for import licence to get necessary paper — making machinery from abroad. The application from Papanasam Paper Mills is still pending final sanction of Government of India . Against machine made paper, it is very difficult for hand made paper to compete in the market either in quality or price. Though one of the hangers at Chromepet has been provisionally reserved for housing the hand made paper industry there are other demands for it. The scheme is not very promising and based on the experiences at Garulapalli Centre. It cannot be said that it will increase the material wealth of the country.

In the circumstances it is for orders whether the scheme should be taken up for consideration.

Sd. x x x
11-12-47.

We cannot afford to experiment further with hand made paper in the present state ~~your~~ of our finances. Director of Industries and Commerce may be told so.

Sd. x x x
12-12-47.

Development (P & D) II)

TO A.S.

With reference to the orders above a draft Memorandum to the Director of Industries and Commerce is submitted for approval.

With reference to A ~~on p. 8~~ above P & D VI may now be requested to delete this scheme from the programme for 1948-49.

Sd. x x x
15-12-47.

(ISSUED US MEMO NO.50855-P&DII/45-19, dated 17-12-47)

TO A.S.

Relevant extracts of notes with a copy of the Memorandum at p. ~~11~~ ~~ante~~. may be given to P & D VI for informing the Government of India of the dropping of the Scheme (No. 114) from the Five Year Plan.

Since the Director of Industries and Commerce will not now be requiring the shed at the Naval Stores at Chromepet the file may be sent to Public Works Department (Dis) for information after giving extracts to P & D VI.

Sd. x x x
19-12-47.

3

GOVERNMENT OF MADRAS
DEVELOPMENT (P&G P & D) DEPARTMENT.
Letter /Ref.No. 1452/47-1.

From

K.G. Menon, Esq., M.B.E. I.C.S.,
Joint Secretary to Government-

To

The Secretary,
Development Board,
Government of India,
New Delhi.

Sir, Dated Fort St. George the 6th January 1948.

Sub: Post-War Development - Five Year Plan - S.No, 114 "Manufacture of special quality hand-made paper" - deletion of.

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I am directed to state that the Government of Madras have decided to delete S.No.114 "Manufacture of special - quality hand-made paper" from the 5 Year Plan.

Your obedient Servant,
K.G.MENON,
Joint Secretary to Government.

Copy to Finance (P.W.R.)
Copy to P & D II.

/True Copy/

Development (P & D II) Department.

Memorandum No. 50855 P & D II/45-19 dated 17th December 1947.

Sub: Post War Development - Agro-Industries - Manufacture of Special quality hand-made paper - Scheme No. 114 in the Five Year Plan - Dropped.

Ref: From the Director of Industries and Commerce, Letter No.P.10/47 dated 27.11-47.

* * *

The Director of Industries and Commerce is informed that the scheme No. 114 in the Five Year Plan for the manufacture of special quality hand-made paper should be dropped, as Government feel they cannot afford to experiment further with hand made paper in the present state of their finances.

Sd. x x x
15-12-47

The Director of Industries and Commerce.

/True Copy/

5

Development Department (P&D)

pp 1-4 above and the G.O. on p.15 c.f. may be perused Scheme No.114 in the Five Year Plan viz. "Manufacture of special quality Handmade paper", dealt with ~~with~~ in this file has been dropped - vide copy of letter at p.13 c.f.) No further action seems called for. May be recorded as a G.O. For Orders.

G.O.MS.NO. 689. Development dated 13-2-48.

POST WAR DEVELOPMENT - Industries - Manufacture of special quality Hand-made paper - Scheme No.114 in the Five Year Plan - Dropped - Papers Recorded.

Sd. x x x
11-2-48.

/True Copy/

Superintendent,
25-7-1953,
MADRAS RECORD OFFICE.

21/7.

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